

**705—4.1(99E) Applicability of competitive bidding.** All “major procurements” shall be obtained as a result of competitive bidding. “Major procurements” includes consulting agreements and the major procurement contract with a business organization for the printing of tickets or for the purchase or lease of equipment or services essential to the operation of a lottery game.

Items, including goods or services, other than “service” or “services” as defined in rule 401—12.3(18) and “major procurements,” that are expected to cost in the aggregate in excess of \$2500 will be obtained as a result of a formal or informal competitive bidding process conducted by the lottery or through the department of general services whenever feasible and when such procurement is in the best interests of the lottery. Items other than major procurements expected to cost less than \$2500 in the aggregate may be obtained in any manner deemed appropriate by the lottery.

The lottery may exempt an item from competitive bidding if the item is noncompetitive or is purchased in quantities too small to be effectively purchased through competitive bidding, if there is an immediate or emergency need for the item, if the purchase of the item facilitates compliance with set-aside procurement provisions, or if the lottery determines that the best interests of the lottery will be served by exemption from the bidding process and the item to be purchased is not a major procurement.

This rule is intended to implement Iowa Code sections 99E.9(2) and 99E.9(3).